

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

CAYVEST GLOBAL MANDATE INC., f/k/a/
CAYVEST US EQUITY, INC.,

Plaintiff,

-against-

LEWIS ASSET MANAGEMENT CORP., LAM
OPPORTUNITY FUND, LTD., W. AUSTIN
LEWIS, IV, ANDREW J. KUNAR, AND
CHRISTOPHER WETHERHILL,

Defendants.

Index No. 10-CV-695 (RMB)

ECF Case

**DECLARATION OF THOMAS J.
FLEMING IN SUPPORT OF
DEFENDANTS' REPLY
MEMORANDUM OF LAW**

THOMAS J. FLEMING, an attorney duly admitted to practice before this Court, declares under the penalties of perjury pursuant to 28 U.S.C. § 1746 as follows:

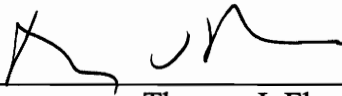
1. I am a partner at Olshan Grundman Frome Rosenzweig & Wolosky LLP, attorneys for defendants LAM Opportunity Fund, Ltd., Lewis Asset Management Corp., W. Austin Lewis, IV and Andrew J. Kunar, and submit this affirmation in connection with defendants' reply memorandum of law in further support of defendants' motion to dismiss plaintiff's amended verified complaint and in opposition to plaintiff's cross-motion for the appointment of a receiver in order to put before this Court certain documents.

2. Attached hereto as Exhibit 1 is a true and correct copy of a letter from LAM Opportunity Fund Ltd. to Cayvest US Equity Inc., dated June 17, 2010.

3. Attached hereto as Exhibit 2 is a true and correct copy of a letter from Edward Allanby to Cayvest US Equity Inc., dated September 8, 2010.

4. Attached hereto as Exhibit 3 is a true and correct copy of a letter from Francis Helverson to Edward Allanby, dated October 8, 2010.

Dated: New York, New York
November 1, 2010



Thomas J. Fleming

EXHIBIT 1

**The LAM Opportunity Fund Ltd.
c/o 2nd Floor, Wessex House
45 Reid Street
Hamilton HM 11
Bermuda
Tel: +1 441 296 0541**

VIA REGISTERED MAIL

Via email: valuations@maplesfinance.com

Via email: jpc@spsk.com

17 June 2010

Cayvest US Equity Inc.
c/o Maples Finance Limited
PO Box 1093 GT
Queensgate House
South Church Street
Grand Cayman
Cayman Islands

Gentlemen:

Re: Voluntary Liquidation of The LAM Opportunity Fund Ltd (the "Fund")

Following your redemption request of 41,142.60 Class A shares in the Fund with a date of redemption of 1 November 2008 and a NAV date of 31 October 2008, which remains unsatisfied in the amount of \$1,877,748.26, you will, of course, be aware of the extreme difficulties the Fund has experienced in the last eighteen months due to the complete collapse of liquidity available to micro and small cap companies ("Companies") which comprise the investment strategy of the Fund. The consequent inability of these Companies to make any significant progress towards the next stage of their development has resulted in very low trading volumes and, therefore, it has been difficult to sell these Companies for the Fund and to use the proceeds to complete your redemption request in a timely manner.

The sale of the Companies held in the Fund's investment portfolio has been limited additionally because Lewis Asset Management Corp., the Investment Adviser, has been considered as an "insider" by being a member of some investee Company boards and/or by virtue of the size of the shareholdings in many of the Companies.

The market has rallied somewhat recently and the Investment Advisor believes that there is residual value in the investment portfolio of the Fund. Indeed, there is some room for optimism that certain "events" may occur within the investment portfolio which will

increase value and liquidity. The timing and realization of such events cannot, however, be predicted with any certainty.

The Directors have, therefore, determined that at this point it is in the best interest of all the investors to place the Fund into voluntary liquidation. In that regard, the Directors have appointed Leman Management Limited ("Leman"), a Bermuda company, to act as General Administrator. Furthermore, the Directors have approved the engagement of Mr. Edward Allanby of Leman as Liquidator of the Fund and the plan is for the Fund to be placed into Voluntary Liquidation in July 2010.

Due to the reasons stated above, the liquidation is likely to take some time and the first task will be to ascertain the creditors of the Fund to settle their claims. Afterwards, the Liquidator will work with Mr. Austin Lewis, the Portfolio Manager of the Fund, to dispose of all the Companies in the investment portfolio in an orderly and timely manner. The Liquidator's final accounts will show the final Net Asset Value per share, if applicable, and the Liquidator will arrange for the financial statements of the Fund to be audited to the date that the final Net Asset Value is determined.

If the sale of the Companies in the investment portfolio provides a reasonable uplift in value, the redemption is likely to be met in full. A redemption payment, however, may be planned to be made in specie.

The General Administrator has already been working for the Fund to prepare for the liquidation. The Liquidator will provide an initial report by the end of August 2010 explaining the projected plan of the liquidation including estimated redemption amounts. Should you have any inquiries in regard to the voluntary liquidation of the Fund, please do not hesitate to contact Mr. Edward Allanby at the above address or at eallanby@leman.bm.

The Board of Directors

EXHIBIT 2

The LAM Opportunity Fund Ltd (in members' voluntary liquidation)
2nd Floor, Wessex House
45 Reid Street
Hamilton HM 12
Bermuda
Tel: +1 441 296 0541
eallanby@leman.bm

Via email: valuations@maplesfinance.com

Via email: jpc@spsk.com

8 September 2010

Cayvest US Equity Inc.
c/o Maples Finance Limited
PO Box 1093 GT
Queensgate House
South Church Street
Grand Cayman, Cayman Islands

Gentlemen:

Re: 1st Status report from the Liquidator of The LAM Opportunity Fund Ltd (in members' voluntary liquidation) (the "Fund")

Following the letter from the Directors of the Fund to you dated 17 June 2010 (the "Letter"), I was duly appointed as Liquidator of the Fund on 23 July 2010 by the sole shareholder of the management shares. I attach the legal notices published regarding my appointment for your records.

As noted in the Letter, I am now writing to explain the projected plan of the liquidation. I have been active in establishing and arranging for the Fund's assets to be placed under my direct control. At this stage it is too early to estimate any distribution amounts.

Payment of creditors and general provision

Notices are being circulated to previous providers and suppliers to the Fund requesting all claims of amounts owed by October 9th 2010. After that date I will be verifying the claims and making valid claim payments from the cash balance. All such payments are planned to be made by the end of October, and from that date onwards the known running costs are estimated to be fees charged by the Liquidator, legal fees arising from periodic advice and annual Bermuda government fees.

Objective for next 12 months for investment portfolio

My objective is for the investment portfolio to be managed so that sales are made in an expeditious, but orderly manner, to provide proceeds sufficient to repay all investors and

this objective will be reviewed again in June 2011. If, however, sufficient investment sales are made during that period, a cash distribution may occur and I would inform you accordingly.

I have noted that the Letter mentioned that Lewis Asset Management Corp., the former Investment Advisor, believed that there was residual value in the overall investment portfolio of the Fund and there was some room for optimism that certain "events" may occur within the investment portfolio which will increase value and liquidity.

I have also noted that the Letter stated that the investments in the investment portfolio had been difficult to sell due to liquidity and low trading volumes issues, and in addition the former Investment Adviser had been considered as an "insider", by being a member of some investee Company boards and/or by virtue of the size of the shareholdings in many of the Companies. I will be reviewing these factors and obtaining advice as necessary to increase the Fund's ability to sell the investments on a timely basis.

I am in constant discussions with the former portfolio manager, Austin Lewis, to gain an in depth knowledge about the investment portfolio and to establish whether an "end date" to the "insider" restrictions can be obtained following my appointment, to permit an informed and orderly liquidation process for the investment portfolio.

Audited financial statements

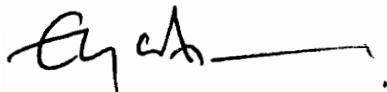
The Letter stated that the Liquidator will arrange for the financial statements of the Fund to be audited to the date that the final Net Asset Value will be determined. However, as a result of the resignation of the former accounting and administration service provider towards the end of 2008, and the absence of any audited financial statements of the Fund since inception, it is considered that an attempt to provide accounts sufficient for an audit from inception to the date of my appointment would be time consuming and hence costly. My obligation is to maintain records of the state of affairs from the date of my appointment to the date of the final general meeting for presentation and approval. At that date an audit firm could be engaged to review and report to investors that assets of the Fund at the date of entering liquidation had been safeguarded and subsequently fairly distributed.

Next report

I plan to provide my 2nd status report in mid-December 2010 at which time I expect to be in a position to provide indications of your potential distribution amount.

Please contact me if you have any questions.

Yours sincerely,



Edward Allanby
Liquidator of The LAM Opportunity Fund Ltd (in members' voluntary liquidation)

**THE COMPANIES ACT 1981
SPECIAL RESOLUTION
OF**

THE LAM OPPORTUNITY FUND LTD

By a Unanimous Written Resolution of the Sole Member of the above-named Company, on the 27th day of July 2010, the following RESOLUTIONS WERE duly passed:-

1. that the Company be wound up voluntarily as a Member's Voluntary Liquidation;
2. that Edward Allanby of Leman Management Limited be and is hereby appointed as Liquidator to the Company for the purposes of such winding-up, with an engagement fee plus time charges and disbursements.

Gary E. Sousa
Secretary

**NOTICE OF APPOINTMENT
OF LIQUIDATOR
MEMBERS' VOLUNTARY
WINDING UP
OF**

THE LAM OPPORTUNITY FUND LTD

I, Edward Allanby, of 2nd Floor, Wessex House, 45 Reid Street, Hamilton in the Islands of Bermuda hereby give notice that I have been appointed Liquidator of **THE LAM OPPORTUNITY FUND LTD** by a unanimous written resolution of the sole member of the Company dated 27 July 2010.

Edward Allanby
Liquidator

Dated this 5th day of August 2010

**IN THE MATTER OF
THE COMPANIES ACT 1981
AND IN THE MATTER OF
THE LAM OPPORTUNITY FUND LTD
(IN MEMBERS' VOLUNTARY LIQUIDATION)**

NOTICE IS HEREBY GIVEN that the Creditors of the above-named Company, which is being voluntarily wound up, are required, on or before the 9th day of October 2010 to send their names and addresses and particulars of their debts or claims, and the names and addresses of their attorneys (if any) to the undersigned Liquidator of the said Company at Wessex House, 2nd floor, 45 Reid Street, Hamilton HM 12, Bermuda, and if so required by notice in writing from the said Liquidator, and personally or by their attorneys, to come in and prove their debts or claims at such time and place as shall be specified in such notice, or in default thereof they will be excluded from the benefit of any distribution made before such debts are proved.

Edward Allanby
Liquidator

Dated this 5th day of August 2010

EXHIBIT 3

Cayvest Global Mandate Inc.

PO Box 309GT, Ugland House, South Church Street, George Town, Cayman Islands

October 8, 2010

The LAM Opportunity Fund Ltd (in member's voluntary liquidation)
Attn: Mr. Edward Allanby, Liquidator
2nd Floor, Wessex House
45 Reid Street
Hamilton HM 12
Bermuda

Cayvest Global Mandate Inc. (former known as Cayvest US Equity Inc.)

Dear Mr. Allanby:

As you are aware, Cayvest Global Mandate Inc. (formerly known as Cayvest US Equity Inc.) (Cayvest) is the registered owner of 71.53% of the Participating Shares of The LAM Opportunity Fund Ltd (LAM). On August 19, 2008, Cayvest provided LAM with a written request for the redemption of its shares. The redemption request was confirmed by LAM in a letter dated September 8, 2008. No redemption proceeds were ever paid to Cayvest – despite numerous requests by Cayvest to LAM and its manager, Austin Lewis.

This letter serves to formally inform you of Cayvest's claims against LAM with respect to its Participating Shares and redemption rights, which may entail rights as a creditor.

Further, LAM's failure to abide by various provisions in its bylaws, including the reporting and financial disclosure provisions, has caused Cayvest to incur additional expenses, including advisory fees that should be borne by LAM.

Cayvest does not waive and hereby reserves all rights that it has against LAM and any of its employees, officers, managers, affiliates and successors, including but not limited to Mr. Austin Lewis.

Sincerely,



Francis J. Helverson
Authorized Representative

cc: Ms. Gilda Berman